



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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May 21, 2001

Loy Crapo
350 East 300 South
P.O. Box 1113
Delta, Utah 84624

Re: Acceptance of Notice of Intention to Commence Small Mining Operations, Drum Slate #1 Project (S/023/072), and Notice of File Closure (E/023/096) Crapo Project, Juab County, Utah

Dear Mr. Crapo:

Thank you for your Notice of Intention to Commence Small Mining Operations, received by the Division on May 7, 2001. The proposed Drum Slate #1 Project is located in the SW1/4 of Section 27, T14S, R10W, SLBM, Juab County, Utah. The application is considered complete and no additional information is required by the Division at this time. On March 30, 2001, we received the BLM's acceptance of this project. Therefore, **you may commence with your mining operations as outlined.**

This project is in the same location as your Exploration Project, file number E/023/096, which was submitted in March 2001. **We will close the exploration file (E/023/096)** and transfer the exploration permit fee to the small mining notice for the fiscal year 2000-2001. Small Mining Notices require a \$100.00 annual fee and will be due again in July for the next fiscal year. A billing statement will be sent at a later date for the next fiscal year annual permit fee.

In accordance with rule R647-3-105 regarding the project location, the areas to be disturbed should be plotted on a map in sufficient detail so that they can be located on the ground. It is also required that the operator mark the proposed (5 acre or less) disturbed area boundary (including access/haul roads) in the field with metal T-Posts (or with some other marker of equal effectiveness). Markers must be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye.

For your reference, I have enclosed copies of our summarized rules regarding "Operation and Reclamation Practices," and the statutory penalty for failure to reclaim a minesite (SMO-1). Please give special consideration to item #10 of the "Operation and Reclamation Practices. Stockpiling topsoil material prior to beginning your mining operation will help ensure successful revegetation efforts upon final reclamation of the minesite. If the area being mined is a solid rock outcrop, or if the land surface is very rocky, then soil stockpiling is probably not possible. However, even the first few inches of undeveloped material is worth saving to aid in later revegetation efforts, and future regulatory release from reclamation requirements.

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Should you wish to expand your operation beyond the five (5) acre limitation, please notify this office as soon as possible to discuss the necessary permitting requirements. Approval of a large mining notice could take from six to twelve months or longer.

Thank you for your cooperation. When in the area, a member of the Division staff will examine the site. Best wishes with your mining operation.

Sincerely,



Tom Munson
Senior Reclamation Specialist

jb
Enclosure: MR-1-2
cc: Larry Garahana, BLM Fillmore FO (UTU-078296)
Exploration File (E/023/096)
S23-72-apv.doc